

NATCHITOCHE PARISH PORT COMMISSION
Natchitoches, Louisiana

Financial Statements
December 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/26/06

NATCHITOCHEES PARISH PORT COMMISSION
Natchitoches, Louisiana

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Required Supplemental Information
Management's Discussion and Analysis (Unaudited)

NATCHITOCHES PARISH PORT COMMISSION

Natchitoches, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the Natchitoches Parish Port Commission's (Commission) annual financial report offers readers a narrative overview and analysis of the financial performance of the Commission for the year ended December 31, 2005. The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Commission's financial statements, which immediately follow this section.

Financial Highlights

- The Commission's net assets increased \$1,412,928 during the year ended December 31, 2005. This is an increase of \$617,043 from prior year.
- The Commission's assets exceeded its liabilities by \$12,080,231 for the year reported. This is an increase of \$1,412,928 from prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements – The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Activities presents information showing how the Commission's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future periods (e.g., uncollected taxes and earned, but unused, compensated absences).

The government-wide financial statements distinguish functions of the Commission that are principally supported by leasing and intergovernmental revenues (governmental activities). The governmental activities of the Commission include general government, port and economic development. The government-wide financial statements can be found on pages 5-6 of this report.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission are classified as governmental funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of government's near-term financing decisions. Both the governmental funds balance sheet and the governmental statements of revenues, expenditures and changes in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains only one major governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for general fund.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11 through 16.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Natchitoches Parish Port Commission, assets exceeded liabilities by \$12,080,231 as of December 31, 2005.

A large portion of the Commission's net assets (98%) reflects its investments in capital assets (e.g., land, building, equipment, port improvements). The Commission uses these capital assets to provide service to port customers; consequently, these assets are not available for future spending.

Natchitoches Parish Port Commission's Net Assets

	<u>As of December 31, 2005</u>	<u>As of December 31, 2004</u>
Current and other assets	\$ 229,454	\$ 335,347
Capital assets	<u>11,859,035</u>	<u>10,443,344</u>
Total Assets	<u>\$12,088,489</u>	<u>\$10,778,691</u>
Current liabilities	\$ 8,258	\$ 111,388
Long-term liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 8,258</u>	<u>\$ 111,388</u>
Net Assets		
Invested in capital assets	\$11,859,035	\$10,443,344
Unrestricted	<u>221,196</u>	<u>223,959</u>
Net Assets	<u>\$12,080,231</u>	<u>\$10,667,303</u>

The remaining balance of the Commission's net assets (2%) represents resources that are used to maintain the capital assets and for administrative expenses.

The following table provides a summary of the Commission's operations for years ended December 31, 2005 and 2004. For both years, the Commission was able to report positive balances in net assets.

Natchitoches Parish Port Commission's Change in Net Assets

	<u>As of December 31, 2005</u>	<u>As of December 31, 2004</u>
Revenues		
Program revenues		
Charges for services	\$ 24,306	\$ 24,570
Capital grants & contributions	40,000	40,000
General revenues		
Intergovernmental revenues	1,629,035	917,926
Rentals & fees	177,092	252,005
Commissions	11,676	10,187
Interest	1,850	865
Other	<u>23,989</u>	<u>9,209</u>
Total Revenues	<u>\$1,907,948</u>	<u>\$1,254,762</u>
Expenses		
Port operations	\$ 495,020	\$ 458,877
Total Expenses	<u>\$ 495,020</u>	<u>\$ 458,877</u>
Change in Net Assets	<u>\$1,412,928</u>	<u>\$ 795,885</u>

Financial Analysis of the Government's Funds

Governmental Funds – The focus of the Natchitoches Parish Port Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Natchitoches Parish Port Commission's governmental funds reported an ending fund balance of \$221,196. This amount constitutes unreserved and undesignated fund balance.

General Fund Budgetary Highlights – The actual revenues were \$546,990 below the budgeted amount for the year. This was due to scheduled project expenditures not being incurred as expected. As a result, the corresponding revenues were not received. Actual expenses were under the budgeted amount by \$544,771.

Economic Factors and Net Year's Budget - The primary source of revenue for the Commission is Intergovernmental Revenue in support of site improvements. Any significant changes in funding by either the State of Louisiana or the Red River Waterway Commission would have an impact on the Commission's operations. The budget for FY 2006 should not change significantly from the FY 2005 budget.

Contacting the Commission - This financial report is designed to provide our citizens, taxpayers and creditors with general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Robert Breedlove at 700 Front Street, Natchitoches, LA 71457.

Government-Wide Financial Statements

**Natchitoches Parish Port Commission
Natchitoches, Louisiana**

**Statement of Net Assets
December 31, 2005**

Assets

Cash and cash equivalents	\$ 225,968
Receivables	3,486
Capital assets, net of accumulated depreciation	<u>11,859,035</u>
Total assets	<u>12,088,489</u>

Liabilities and Net Assets

Liabilities	
Accounts payable	<u>8,258</u>
Total liabilities	<u>8,258</u>
Net assets	
Invested in capital assets	11,859,035
Unrestricted	<u>221,196</u>
Total net assets	\$ <u>12,080,231</u>

The accompanying notes are an integral part of the financial statements.

**Natchitoches Parish Port Commission
Natchitoches, Louisiana**

**Statement of Activities
December 31, 2005**

<u>Activities</u>	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Net (expense) revenue and change in net assets</u>
Port functions	<u>\$495,020</u>	<u>\$24,306</u>	<u>\$40,000</u>	<u>-</u>	<u>\$ (430,714)</u>

General revenues:

State of Louisiana	68,205
Red River Waterway Commission	1,559,330
City of Natchitoches	1,500
Rental income	177,092
Commission fee	11,676
Interest	1,850
Other	<u>23,989</u>

Total general revenues 1,843,642

Change in net assets 1,412,928

Net assets January 1, 2005 10,667,303

Net assets December 31, 2005 \$12,080,231

The accompanying notes are an integral part of the financial statements.

Fund Financial Statements

**Natchitoches Parish Port Commission
Natchitoches, Louisiana**

**Balance Sheet-Governmental Fund
December 31, 2005**

Assets

Cash	\$ 225,968
Accounts receivable	<u>3,486</u>
Total assets	<u>\$ 229,454</u>

Liabilities and Fund Balance

Accounts payable	\$ <u>8,258</u>
Total liabilities	<u>8,258</u>
Fund balance:	
Unreserved	<u>221,196</u>
Total liabilities and fund balance	<u>\$ 229,454</u>

The accompanying notes are an integral part of the financial statements.

**Natchitoches Parish Port Commission
Natchitoches, Louisiana**

**Reconciliation of the Balance Sheet-Governmental Fund
to the Statement of Net Assets
December 31, 2005**

Total Fund Balance for the Governmental Fund at December 31, 2005	\$ 221,196
Total Net Assets reported for Governmental Activities in the Statement of Net Assets is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the fund. Those assets consist of:	
Land, Equipment and Site Improvements, Net of Accumulated Depreciation of \$1,559,347	<u>11,859,035</u>
Total Assets of Governmental Activities at December 31, 2005	\$ <u>12,080,231</u>

The accompanying notes are an integral part of the financial statements.

**Natchitoches Parish Port Commission
Natchitoches, Louisiana**

**Statement of Revenues, Expenditures and Changes in Fund Balance-
Governmental Fund
General Fund
Year Ended December 31, 2005**

Revenues	
Intergovernmental	
State of Louisiana	\$ 68,205
Red River Waterway Commission	1,599,330
City of Natchitoches	1,500
Charges for services	24,306
Miscellaneous-	
Franchise fee	11,676
Rental income	177,092
Interest	1,850
Other	23,989
Total revenues	<u>1,907,948</u>
Expenditures	
General government	185,270
Capital outlay	<u>1,725,441</u>
Total expenditures	<u>1,910,711</u>
Excess of revenues over expenditures	(2,763)
Fund balance-beginning of year	<u>223,959</u>
Fund balance-end of year	\$ <u>221,196</u>

The accompanying notes are an integral part of the financial statements.

**Natchitoches Parish Port Commission
Natchitoches, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance-Governmental Fund
to the Statement of Activities
for the Year Ended December 31, 2005**

Total Net Change in Fund Balance at December 31, 2005 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$(2,763)
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The Change in Net Assets
reported for Governmental Activities
in the Statement of Activities is different because:

Governmental funds report capital outlay as, expenditures. However, in the Government-wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	1,725,441
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Depreciation expense is recorded in the Government- wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds. Current year depreciation expense is	(<u>309,750</u>)
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Total changes in Net Assets at December 31, 2005 per Statement of Activities	\$ <u>1,412,928</u>
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The accompanying notes are an integral part of the financial statements.

**Natchitoches Parish Port Commission
Natchitoches, Louisiana**

**Notes to Financial Statements
December 31, 2005**

INTRODUCTION

The Natchitoches Parish Port Commission was created by Act 1975 containing R. S. 34:3151 through 34:3157 of the Louisiana Legislature. The Commission serves all of Natchitoches Parish. The Commission shall regulate the commerce, and traffic, within the Port area in such a manner as may, in its judgment, be for the best interest of the State. One member of the Board is appointed by the Governor, two members by the Natchitoches Parish Police Jury, and two members by the City of Natchitoches, Louisiana. The members receive no pay for their services. The Commission has only two employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. REPORTING ENTITY-

The Commission for financial purposes includes all of the funds and account groups relevant to the operations of the Commission. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Natchitoches Parish Port Commission.

The Division of Administration of the State of Louisiana has determined that the Natchitoches Parish Port Commission is a primary government and not a component unit or agency of the state government for financial reporting purposes

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Commission are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The Commission maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Commission is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis – Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Commission as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place.

Modifies Accrual Basis – Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified

accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Commission considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. ASSETS, LIABILITIES AND EQUITY-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Commission.

Capital Assets-

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Commission maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, fixtures and equipment	5-10 years
Site improvement	40 years
Machinery	15 years

Compensated absences-

Employees of the Natchitoches Parish Port Commission do not accrue or "carry forward" any type of leave from year to year. Therefore, no entry is made to record compensated absences.

Equity Classification-

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

F. BUDGET-

Prior to the beginning of each fiscal year, the Natchitoches Parish Port Commission adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

G. ESTIMATES -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting periods. Actual results could differ from those estimates.

2. CAPITAL ASSETS:

Capital asset balances and activity for the year ended December 31, 2005 is as follows:

Governmental Activities	Balance 01-01-05	Increases	Decreases	Balance 12-31-05
Capital Assets Not Depreciated:				
Land	\$ 371,976	\$ 26,750	\$ -	\$ 398,726
Total Capital Assets Not Depreciated	<u>371,976</u>	<u>26,750</u>	<u>-</u>	<u>398,726</u>
Other Capital Assets:				
Furniture, Fixtures & Equipment	22,168	-	-	22,168
Machinery	23,593	-	-	23,593
Site Improvement	<u>11,275,204</u>	<u>1,698,691</u>	<u>-</u>	<u>12,973,895</u>
	<u>11,320,965</u>	<u>1,698,691</u>	<u>-</u>	<u>\$13,019,656</u>
Less: Accumulated Depreciation:				
Furniture, Fixtures & Equipment	16,817	-	-	16,817
Machinery	11,890	-	-	11,890
Site Improvement	<u>1,220,890</u>	<u>309,750</u>	<u>-</u>	<u>1,530,640</u>
Total Accumulated Depreciation	<u>1,249,597</u>	<u>309,750</u>	<u>-</u>	<u>1,559,347</u>
Other Capital Assets, Net	<u>10,071,368</u>	<u>1,388,941</u>	<u>-</u>	<u>11,460,309</u>
Net Capital Assets	<u>\$ 10,443,344</u>	<u>\$1,415,691</u>	<u>\$ -</u>	<u>\$11,859,035</u>

On December 28, 2005, the Department of Transportation and Development transferred certain land and improvements to the Natchitoches Parish Port Commission for an access road to the Port in exchange for construction of a by-pass for Louisiana highway 486.

3. CASH AND CASH EQUIVALENTS:

At December 31, 2005, the Natchitoches Parish Port Commission has cash and cash equivalents totaling \$230,802. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. A summary of collateralization of bank balances is presented below.

Insured (Federal deposit insurance)	\$100,000
Uncollateralized (In accordance with GAAP; however all balances are collateralized in accordance with state law)	<u>130,802</u>
	<u>\$230,802</u>

The uncollateralized amount shown above is secured by pledged securities held in the name of the pledging fiscal bank in a holding or custodial bank. Even though this amount is considered uncollateralized under GAAP, Louisiana Revised Statutes impose a statutory requirement on the

custodial bank to advertise and sell the pledged securities within ten (10) days of being notified by the Commission that the fiscal agent has failed to pay deposited funds upon demand.

4. **LITIGATION:**

At December 31, 2005 there was no outstanding litigation involving the Commission.

5. **RECEIVABLES:**

The following is a summary of receivables at December 31, 2005:

<u>Class of Receivable</u>	<u>General Fund</u>
Commission fee	\$ 3,486
Total	\$ 3,486

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectible accounts is used.

6. **PAYABLES:**

The following is a summary of accounts payable at December 31, 2005:

Payroll Liabilities	\$ 2,627
Travel	249
Advertising	54
Utilities/Telephone	664
Legal	365
Security	535
Engineering	3,764
Total	\$ 8,258

Required Supplementary Information

Natchitoches Parish Port Commission
Natchitoches, Louisiana

General Fund Budgetary Comparison Schedule
Year Ended December 31, 2005

	<u>GAAP Budget</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues				
Intergovernmental				
State of Louisiana	\$ 3,615,000	\$ 70,205	\$ 68,205	\$(2,000)
Red River Waterway Commission	1,475,000	2,135,422	1,599,330	(536,092)
City of Natchitoches	-	1,500	1,500	-
Charges for services	28,000	29,700	24,306	(5,394)
Miscellaneous				
Cleco	10,000	11,000	11,676	676
Rental income	120,400	186,591	177,092	(9,499)
Interest	1,000	1,800	1,850	50
Other	5,511,500	18,720	23,989	5,269
Total revenues	<u>10,760,900</u>	<u>2,454,938</u>	<u>1,907,948</u>	<u>(546,990)</u>
Expenditures - Current				
General government				
Salaries	83,600	83,600	83,600	-
Legal and accounting	26,850	18,850	17,366	1,484
Payroll taxes	7,000	6,500	6,433	67
Travel and entertainment	6,000	5,200	4,715	485
Advertising and promotion	5,000	3,300	3,086	214
Office	3,000	3,900	3,264	636
Miscellaneous	500	-	-	-
Insurance	10,200	13,100	12,360	740
Licenses	350	350	345	5
Dues and memberships	2,000	1,500	1,605	(105)
Utilities and telephone	12,000	13,000	13,185	(185)
Consultants	1,000	-	-	-
Maintenance and repairs	15,000	40,000	33,453	6,547
Security	500	500	529	(29)
Recording expense	500	100	98	2
Improvements	2,400	-	-	-
Inspections	-	-	-	-
Appraisals	1,000	1,750	2,185	(435)
Engineering	1,000	4,000	2,184	1,816
Meetings and conferences	3,000	600	865	(265)
Public Works				
Legal	50,000	2,135	135	2,000
Engineering	1,450,000	145,692	292,156	(146,464)
Inspections	100,000	-	-	-
Testing	30,000	-	-	-
Capital outlay				
Equipment	-	-	-	-
Land	300,000	26,750	26,750	-
Site improvements	8,650,000	2,084,655	1,406,397	678,258
Total expenditures	<u>10,760,900</u>	<u>2,455,482</u>	<u>1,910,711</u>	<u>544,771</u>
Excess (Deficiency) of revenues over expenditures	-	(544)	(2,763)	(2,219)
Fund balance, beginning of year	<u>223,959</u>	<u>223,959</u>	<u>223,959</u>	-
Fund balance, end of year	<u>\$ 223,959</u>	<u>\$ 223,415</u>	<u>\$ 221,196</u>	<u>\$(2,219)</u>

See Independent Auditor's Report

Independent Auditor's Reports

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Natchitoches Parish Port Commission
Natchitoches, Louisiana

We have audited the accompanying basic financial statements of the Natchitoches Parish Port Commission, as of and for the year ended December 31, 2005, as listed in the Table of contents. These basic financial statements are the responsibility of the Natchitoches Parish Port Commission's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Natchitoches Parish Port Commission as of December 31, 2005, and the results of its operations for the year then ended in conformity with generally accepted accounting principles accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2006, on our consideration of Natchitoches Parish Port Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 1 through 4 and 17 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information, however, we did not audit the information and express no opinion on it.


ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
May 2, 2006

ROBERTS, CHERRY & COMPANY
Certified Public Accountants, Consultants

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Natchitoches Parish Port Commission
Natchitoches, Louisiana

We have audited the financial statements of Natchitoches Parish Port Commission as of and for the year ended December 31, 2005, and have issued our report thereon dated May 2, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Natchitoches Parish Port Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters of the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether Natchitoches Parish Port Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the revenue, banking and budget committee, management, federal awarding agencies, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than these specific parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Roberts, Cherry and Company
ROBERTS, CHERRY AND COMPANY

A Corporation of
Certified Public Accountants
Shreveport, Louisiana
May 2, 2006